This guide is for potential applicants to the U.S. Department of Defense (DoD) Small Business Innovation Research (SBIR) program. The document identifies unique aspects of the DoD SBIR program, describes the nature of its topics, and links readers to additional agency resources. When used in conjunction with MTIP's [Profile of a Good Candidate](#), this guide will help prospective applicants determine quickly whether to pursue funding under the DoD SBIR program and how best to approach a proposal.

THE SBIR/STTR PROGRAMS

The federal Small Business Innovation Research (SBIR) program is a source of early-stage R&D seed capital for small, tech-based U.S. companies. Through 11 different participating agencies, this program offers grants or contracts to support serious R&D and commercialization of technologies of interest both to the government and to the company.

SBIR funding does not have to be matched or repaid by the small business. The award monies can be used to fund most costs associated with the R&D project and up to 7% profit. The company maintains ownership of any new intellectual property (IP), and the government retains certain rights to use the technology. SBIR is a three-phase program. Phase I is to establish the technical, and often commercial, feasibility of the proposed technology. Phase I awards can be as high as $225,000, normally for a period of up to nine months. Phase II is to perform more in-depth R&D on the technology, ideally moving it to a prototype. Phase II awards range as high as $1.5 million for a period of up to two years.

The objective of Phase III is commercialization of the technology. This phase is non-funded, though some agencies offer extra assistance in the form of commercialization support programs.

In SBIR Phase I, up to 33% of the total budget may go to outside consultants/subcontractors; in Phase II, this figure rises to 50%. In addition, for both Phase I and II, the Principal Investigator (PI) must be greater than 50% employed by the company for the duration of the project.

Each of the 11 participating agencies operates its own version of the SBIR program. Within any given agency, the rules and requirements frequently change from one solicitation to the next. Prospective applicants must monitor closely each targeted agency's solicitations.

Overall, agencies report that the chance of winning a Phase I award ranges from ~7% to ~15%. Well-qualified Montana applicants can substantially improve these odds by working closely with the no-cost services offered by the Montana Technology Innovation Partnership (MTIP). If not currently enrolled for MTIP services, see the information box at the end of this Guide.

THE DoD SBIR PROGRAM

The DoD SBIR program funds over one billion dollars each year in early-stage R&D projects at small technology companies. DoD SBIR topics focus on dual use technology that can serve both defense needs and commercial applications. There are three DoD SBIR Phase I solicitations per year. The solicitations will announce: when it will issue (Pre-Release), when the DoD service component (a component is a division of the military such as, Army, Navy, etc.) will begin accepting proposals (Open), and the deadline for proposal submissions (Closed). Phase I Pre-Release occurs on or around December 15, April 15 and August 31. Open dates are one month later, and Closing dates follow Pre-Release by two months.

Phase I projects to demonstrate feasibility are presently funded at up to $150,000. See the DoD solicitation summary table of each service component program to understand how the budget applies and the amount of time permitted for a project. Some of the programs break the award between a Base period plus an Option, which is an added effort that follows the Base project. For example, the Air Force presently allows a Base of $150,000 for a 9-month duration and no Option funding. Whereas, the Navy permits a 6-month Base at $80,000 with a 6 month Option not-to-exceed $70,000. Awards for Phase II proposals are competed, and require successful Phase I completion. Phase II projects are typically oriented to developing and testing a prototype, and are funded for up to

$1M over a two year work plan. Some of the service components are experimentally offering other opportunities such as an Option for an added, sequential Phase II award, and an Air Force Direct to Phase II program for a limited selection of topics.

DoD SBIR is a contract program requiring completion of the proposed work plan under a contract with the Defense component. The funding does not have to be paid back and the applicant company will own the resulting technology. However, in return, commitments are made under the program, including a federal right to use the SBIR-funded technology. The DoD SBIR general information website can be viewed at: http://www.acq.osd.mil/osbp/sbir/. Under the tab titled, "for Small Business" there are a variety of DoD SBIR resources. The DoD SBIR Complete Desk Reference can be found under the heading, "Resources For Small Businesses." Menu options for the Desk Reference include 13 sections outlining the DoD SBIR program plus a link to the SBIR Policy Directive.

To facilitate greater understanding of topics, and to prepare and submit proposals, the DoD created the SBIR Interactive Topic Information System (SITIS). SITIS can only be used during active solitation periods and requires registration. Access to SITIS is located here: https://sbir.defensebusiness.org/.

IDENTIFYING AN APPROPRIATE TOPIC

***DoD topics are very specifically oriented to technology for which the Defense component has identified a need**. Thirteen DoD components participate in the program but not all of them will publish topics in every solicitation. Because of the specific nature of DOD topics, the majority are not repeated from one solicitation to the next. Each published topic includes information indicating the component and program office sponsoring the topic, a specific description of the technology requested, and general expectations for the Phase I and Phase II projects. Relevant citations will be displayed and there will be a Technical Point of Contact (TPOC) listed with contact information.*

There are two ways to perform a topic search:
1) Go to SITIS https://sbir.defensebusiness.org/ and select the Solicitations tab at the top of the page. To open, click on your preferred document format of either Word, PDF or HTML. Topics can be viewed under the heading of each participating component.
2) If preferred, a keyword search can be performed across all DoD service components for the current solicitation. On the Solicitations page, below the table of topics organized by component, there is a Topic Search Engine. Start a search with a general keyword, and slowly add more defining keywords to narrow the search field. All of the search results can be listed in a single report file to facilitate viewing.

CONTACTING THE AGENCY

***Applicants are strongly advised to make contact with the TPOC listed under a selected topic**. Not all of these people will interact meaningfully. However, as is the case in any proposal, it is imperative to collect as much information as possible in order to identify the best connection between the company technology and the sponsoring service component's needs. This is not the right time to provide a long-winded explanation of the company's technology. Applicants need to ask questions and hone in on the sponsor's reason for posting the topic, and any specifications and applications anticipated for the requested technology.*

Contact with a TPOC is permitted from the Pre-Release date until the Open period when proposals may be submitted. After the solicitation becomes Open, written questions can be submitted at any time through the DoD SITIS platform. The questioner and respondent remain anonymous and all questions and answers are posted electronically for general viewing until the solicitation closes. Throughout the proposal process, it is advisable to keep an eye on SITIS for useful information being posted, and on the solicitation download site where topics are occasionally listed for deletion.

PREPARING/SUBMITTING THE PROPOSAL

The purpose of the proposal is to provide sufficient information to persuade reviewers that the proposed innovation offers a unique and sound approach to addressing the need expressed in the DoD service component topic. The proposal should be written at a level of quality suitable for publication. Following are general recommendations for ways in which applicants can enhance their chances for success:

- **Search topics immediately following Pre-Release.** Every bit of the time allowed will be necessary for assembling a suitable project team and constructing an award-winning technical approach. Even before release, registration can be completed at SITIS and team members can study the proposal expectations by the different military components. During Pre-Release, topics may be added, modified or withdrawn. Changes are often made to topics, especially during the first week of a pre-release, so make sure to monitor the DoD for updates/changes.

- **Read the detailed instructions throughout the entire solicitation.** One person on the proposal team must be responsible for reading the instructions thoroughly, highlighting all the major and minor requirements, and initiating a proposal template. Some of the components have special instructions that take precedence over the DoD general solicitation. Be sure to check for these instructions at the DoD submission site.

- **Develop a project plan that envisions both the Phase I and the Phase II R&D activities.** Engage a dialog with the TPOC and use that interaction to sharpen the proposed objectives and technical work plan. Give careful consideration to selection of the project investigators, including consultants and/or subcontractors. There needs to be well-credentialed expertise on the project team for every aspect of the work being proposed. Conduct a team meeting to get full buy-in on the work plan AND on the proposal-writing plan. Develop a schedule and assign responsibilities for completion of the proposal. Immediately start the process of collecting team Curriculum Vitae and any required letters of support.

- **Obtain an outside, third-party review.** Regardless of the proposal author's experience, this step helps ensure that the proposal is fully responsive to the instructions. Even the most experienced authors have a tendency to get "off point" as they work through the details and editing process. An outside eye can catch the drift and proposal non-compliance to solicitation requirements. A reviewer knowledgeable about the DoD SBIR program will invariably identify meaningful ways in which to enhance both the presentation and the content of the proposal.

- **Register at the DoD submission portal**. Once a topic has been selected, a proposal can be set up for submission through the DoD SBIR Web Portal at: https://sbir.defensebusiness.org/user/login/. A submission tutorial can be viewed at: http://www.acq.osd.mil/osbp/sbir/sb/resources/training.shtml.

READY FOR THE NEXT STEP?

This agency-specific SBIR guide has been prepared by the Montana Technology Innovation Partnership (MTIP) and does not imply endorsement from the U.S. Department of Defense. A program of the Montana Department of Commerce, MTIP provides free coaching to Montana technology-based companies seeking help in applying to federal and state R&D and commercialization funding programs. For more information, contact the MTIP Program Manager at DOCMTIP@mt.gov or visit MTIP's website at www.mtip.mt.gov.